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CONTACT: RICHARD MILLS
202-395-3230**

United States and Vietnam Trade Agreement Takes Effect Today

WASHINGTON – Today, U.S. Trade Representative Robert B. Zoellick and Vietnamese Minister of Trade Mr. Vu Khoan exchanged letters implementing the U.S.-Vietnam Bilateral Trade Agreement (BTA). The Congress ratified the Agreement on October 3, 2001, and the Agreement takes effect today.

The event at the Blair House marks the fruition of one of President Bush's 2001 Legislative Trade Agenda initiatives. Moreover, this Agreement is a key step in the normalization process launched by President George H.W. Bush some ten years ago and continued by President Clinton.

At today's event, Zoellick said, "Our Agreement represents progress for the United States and Vietnam, but also for the world trading system. This is an example of how two nations once divided by war can employ trade as a tool to work toward reconciliation."

The U.S.-Vietnam Bilateral Trade Agreement will extend normal trade relations to Vietnam (subject to an annual Jackson-Vanik waiver by the President) and help lower Vietnamese tariffs on hundreds of categories of U.S. goods and farm products.

Lowering trade barriers, particularly in the services sector, will provide Americans with expanded access to the Vietnamese market and give important protections for American intellectual property rights' holders.

In addition, as USTR Zoellick commented, "We hope the agreement will help speed Vietnam's integration into the economy of the Asia-Pacific and the world. It provides a solid basis for Vietnam to work towards joining the 142 members of the WTO. We look forward to contributing to that effort."

Zoellick was joined by Congressman Philip Crane (R-IL), Chairman of the Trade Subcommittee of the House Ways and Means Committee, and Congresswoman Jennifer Dunn (R-WA) . The Vietnam

delegation, led by Deputy Prime Minister Dung, included four ministerial-level representatives and eight Vice Ministers.

A bipartisan coalition of Congressional leaders supported the Agreement. In addition to the two Representatives attending, the supporters included three prominent Vietnam veterans from the Senate, Senators John McCain (R-AZ), John Kerry (D-MA), and Chuck Hagel (R-NE). Among the House members who gave support were Representatives William M. Thomas (R-CA), Chairman of the House Ways and Means Committee, Vietnam veteran Jim Kolbe (R-AZ), Jerry Moran (R-KS), Earl Blumenauer (D-OR), and Lane Evans (D-IL).

The National Assembly of Vietnam approved the resolution ratifying the Agreement on November 28, 2001, and the President of Vietnam signed the legislation on December 4, 2001.

Last year the U.S. exported over \$368 million of goods, including industrial machinery, fertilizers, and semiconductors to Vietnam. The same year, Vietnam exported \$821 million worth of goods to the United States. With the lower tariffs that will go into effect under this BTA, trade should increase to the benefit of both countries.

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